

STATE PLAN UNDER TITLE XIX OF SOCIAL SECURITY ACT
STATE: California

- (4) No modification in method or amount of payment will be made under this paragraph which does not meet all applicable requirements of 42 CFR Part 447. An analysis of provider participation, and the expected impact of any proposed modification on provider participation, will be completed before any modification of payments is made under this paragraph. Where necessary, adjustments to proposed or implemented modifications in method or amount of payment made under this paragraph will be made and described, to assure compliance with 42 CFR 447.204.
- (5) Before any of the above actions are taken, the director shall consult with representatives of concerned provider groups.
- (g)(1) For dates of service on or after October 1, 2010, through and including May 31, 2011, reimbursement for outpatient services, except for non-drug services provided by a pharmacy, otherwise payable in accordance with the methods and standards described on page 1 in Attachment 4.19-B, will be reduced by one percent. The outpatient provider types and services specified below are exempt from the one percent reduction:
- Federally qualified health center services, including those facilities deemed to have federally qualified health center status pursuant to a waiver pursuant to subsection (a) of Section 1115 of the federal Social Security Act.
 - Rural health clinic services.
 - Breast and cervical cancer treatment services.
 - Family Planning, Access, Care and Treatment (Family PACT) Program
 - Small and rural hospitals.
- (2) For dates of service on or after October 1, 2010, through and including May 31, 2011, reimbursement for non-drug services provided by a pharmacy otherwise payable in accordance with the methods and standards described on page 1 in Attachment 4.19-B, will be reduced by five percent. To the extent that this paragraph (2) is applicable, the provider types and services specified below are exempt from the five percent reduction:
- Federally qualified health center services, including those facilities deemed to have federally qualified health center status pursuant to a waiver pursuant to subsection (a) of Section 1115 of the federal Social Security Act.

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- Rural health clinic services.
- Breast and cervical cancer treatment services.
- Family Planning, Access, Care and Treatment (Family PACT) Program.
- Small and rural hospitals.

(3) The payment reductions in paragraphs (1) and (2) will not be implemented to the extent that they are subject to an injunction or other court order (or orders) that prohibit or restrict implementation.

(h)(1) For dates of service on or after June 1, 2011, reimbursement for outpatient services will be reduced by an amount that does not exceed 10 percent on an aggregate basis for all providers, services and products. The outpatient provider types and services specified below are exempt from the 10 percent reduction:

- Federally qualified health center services, including those facilities deemed to have federally qualified health center status pursuant to a waiver pursuant to subsection (a) of Section 1115 of the federal Social Security Act.
- Rural health clinic services.
- Breast and cervical cancer treatment services.
- Family Planning, Access, Care, and Treatment (Family PACT) Program.

(2) The payment reductions described in paragraph (1) will not be implemented to the extent that they are subject to an injunction or other court order (or orders) that prohibit or restrict implementation.